



Summary of 2014 Accomplishments

Board of Directors



The Woodlands Township Board of Directors: (left to right) Secretary Mike Bass, Vice Chairman Ed Robb, Director Peggy S. Hausman, Chairman Bruce Tough, Treasurer Gordy Bunch, Director John McMullan and Director Jeff Long.

The Woodlands Vision

The Woodlands, our dynamic hometown within a natural forest, is known for its balance between man and nature. We are a thriving business community and a premier destination for visitors – a place where generations live, work, learn and play. The Woodlands...

- ...is a place where we feel safe and secure.
- ...achieves prosperity by promoting economic development and quality of life.
- ...cultivates the relationship between urban needs and George Mitchell's vision of environmental sustainability.
- ...provides premier services and activities, superior educational opportunities, a diversity of jobs, vibrant public spaces, integrated mobility options, public activities, cultural events and entertainment for all.
- ...is a place that welcomes everyone from everywhere to grow and thrive.

The Woodlands Township Mission

We fulfill The Woodlands vision by:

- Protecting the well-being and safety of our residents, visitors and businesses.
- Achieving the highest standards in service delivery.
- Partnering with others to sustain the vitality of our region.
- Communicating with our constituents and partners.
- Attracting and retaining a talented and innovative staff.
- Serving as the community's political voice.
- Powering economic growth through community investment.
- Promoting continued vitality of neighborhoods and commercial areas.
- Maintaining transparent governance.
- Serving as financial stewards of the community's resources.
- Evolving a governance structure to meet our goals.
- Promoting sound environmental policy.
- Collaborating with community partners to promote public events and cultural activities.
- Collaborating with community partners to improve mobility throughout The Woodlands.

Letter to Residents



Don Norrell
President and General Manager

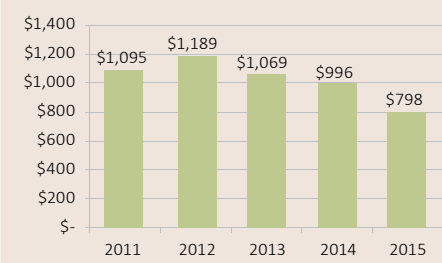
This publication provides an overview of the financial status of The Woodlands Township. Specifically, this overview provides a summary of what we accomplished as an organization in 2014, our current financial status and the issues and opportunities that lie ahead over the next five years.

In 2010, The Woodlands Township, a special purpose district, became the local government provider for the majority of municipal-type services in The Woodlands. The fully-elected Board of Directors and Township staff are committed to providing quality customer-friendly services along with programs and policies to promote

economic development, enhance property values and enhance quality of life in The Woodlands.

Since inception, the Township's financial status has improved each year, allowing for a steady decrease in property taxes. Over the past five years, the Township has been able to build a financial model that provides for top quality services at a low property tax rate and sufficient reserves to provide for replacement of capital infrastructure, as needed.

Outstanding Debt Per Capita



Since 2010, the Township has refinanced outstanding debt, prepaid \$14 million in outstanding debt before maturity, and has set up a reserve for early payment of additional debt in the future.

The Township has also established operating, capital and economic development reserves.

Prudent fiscal management has allowed the Township to balance revenues and expenditures while lowering the property tax rate, maintaining or enhancing services, maintaining excellent bond ratings and a low debt per capita ratio, and maintaining appropriate reserves. The Township's bond ratings provide evidence of its financial strength. In January 2014, the Township received a rating of "AA" from Standard & Poors and a rating of "A1" from Moody's, indicating our bonds are considered excellent investment quality.

As we look to the future, I am happy to report that The Woodlands Township outlook continues to be very promising. As a governmental entity, our financial position is strong, and the Township's economic growth potential is exceptional.





A Snapshot of The Woodlands

The Woodlands Township is the governmental entity dedicated to meeting the needs of The Woodlands residents and businesses. The Township encompasses approximately 28,000 acres with a population of more than 108,000 people, 2,000 businesses and a valuation of more than \$16 billion.

The Township staff and publicly elected Board of Directors are committed to public safety and exceptional levels of customer service. Together, they responsibly fulfill the governance needs of the community while promoting the economic development of The Woodlands and providing services that enhance property values.

The Woodlands Township's financial model is unique among local governments. The Township offers its residents enhanced services and amenities at a higher level than most communities, but at a lower tax rate than most local governments. Since 2010, the Board has been able to reduce the property tax rate from 32.8 cents per \$100 of valuation to only 25 cents per \$100 of valuation, while still maintaining sufficient reserves for replacement of capital infrastructure as needed.

The Woodlands Board of Directors continues its efforts to grow sales tax and room tax receipts through investment

in community infrastructure and promotion of The Woodlands through The Woodlands Convention and Visitors Bureau. The popularity of The Woodlands for shopping, dining and special events confirms it as a top entertainment venue for residents and visitors alike. The sales and room tax paid by visitors is a major contributor to the low tax rate The Woodlands residents enjoy.

The Woodlands, a dynamic hometown within a natural forest, is known for its balance between man and nature. It is a thriving community for its residents and businesses; a place where generations live, work, learn and play.

Public safety is a top priority for The Township. Since 2009, a substantial commitment of resources has been invested in law enforcement and fire services. As a result, The Woodlands is one of the safest places in the country to live, work and play.

The Township contracts with Montgomery County Sheriff's Office and Harris County Constable, Precinct #4,

to provide community policing services. In 2015, this arrangement provides a total of 104.5 deputies assigned to The Woodlands in eight residential and community policing zones and one tourism zone. The Woodlands also provides additional overtime funding for law enforcement services as needed throughout the year.

The Township is highly proactive about public safety. It sponsors multiple public safety programs and continues to foster strong relationships with local law enforcement. Neighborhood Services focuses its efforts on the safety of residents and businesses through its award-winning Woodlands neighborhood watch program.

Residents, businesses and visitors receive excellent fire and first-responder services through The Woodlands Fire Department. The Woodlands Township employs 161 full-time personnel in The Woodlands Fire Department. They provide fire protection and first-responder services from eight strategically located fire stations and the Emergency Training Center. The Woodlands now has an ISO rating of 1, largely due to the Board of Director's goal of providing the community with the highest level of fire services.

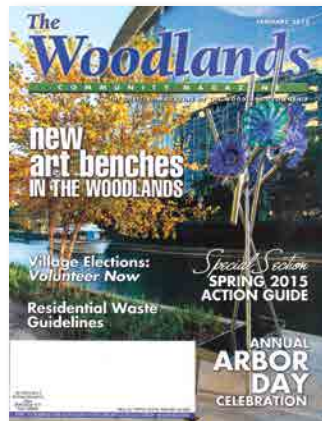
The Township also provides a high level of community services, resulting in clean, well maintained roadways and neighborhood entries. Parks and Recreation provides maintenance to the extensive network of parks, pathways, athletic fields, and pools as well as recreational programs. The number of parks and pathways will increase in 2015-16, as the Village of Creekside Park continues to develop.

Covenant management is integral to the beauty and aesthetic harmony of The Woodlands Township. Strong covenant enforcement will continue to be a high priority as the community matures and redevelopment occurs.

The Woodlands Township continues to inform its residents of Township events and activities through a variety of methods. The Woodlands Community Magazine, a free publication, is delivered directly to all homes in the Township and maintains its high readership. In 2014, the Township launched a weekly eNewsletter, *Talk of the Township*, highlighting the latest Township news and events. In addition, the Township rolled out its official Facebook page, www.facebook.com/thewoodlandstowship.

The Township website continues to provide the public with a wealth of information. With news releases, a calendar of events, bid postings, meeting agendas and minutes, recreational programming information, and a detailed

budget, it has become a primary source of information for the entire community. Live videos of the Board of Directors meetings are available on the site, as are archived meeting videos. The Woodlands Alert, another avenue of timely communication, is an opt-in service that sends email and/or text messages directly to subscribers.



The public can also stay informed by attending a Township Board of Directors meeting and/or other committee meetings at Town Hall. Being informed of such meetings is easy due to the Township agenda process. Meeting agendas, meeting minutes and complete summaries of issues posted for Board consideration are readily available on the website.

Success of The Woodlands Township

The Woodlands Township benefits from the vibrant Texas economy and state government policies that encourage business investment and job creation.

In addition, The Woodlands is located just north of Houston, the hub of the nation's energy industry.

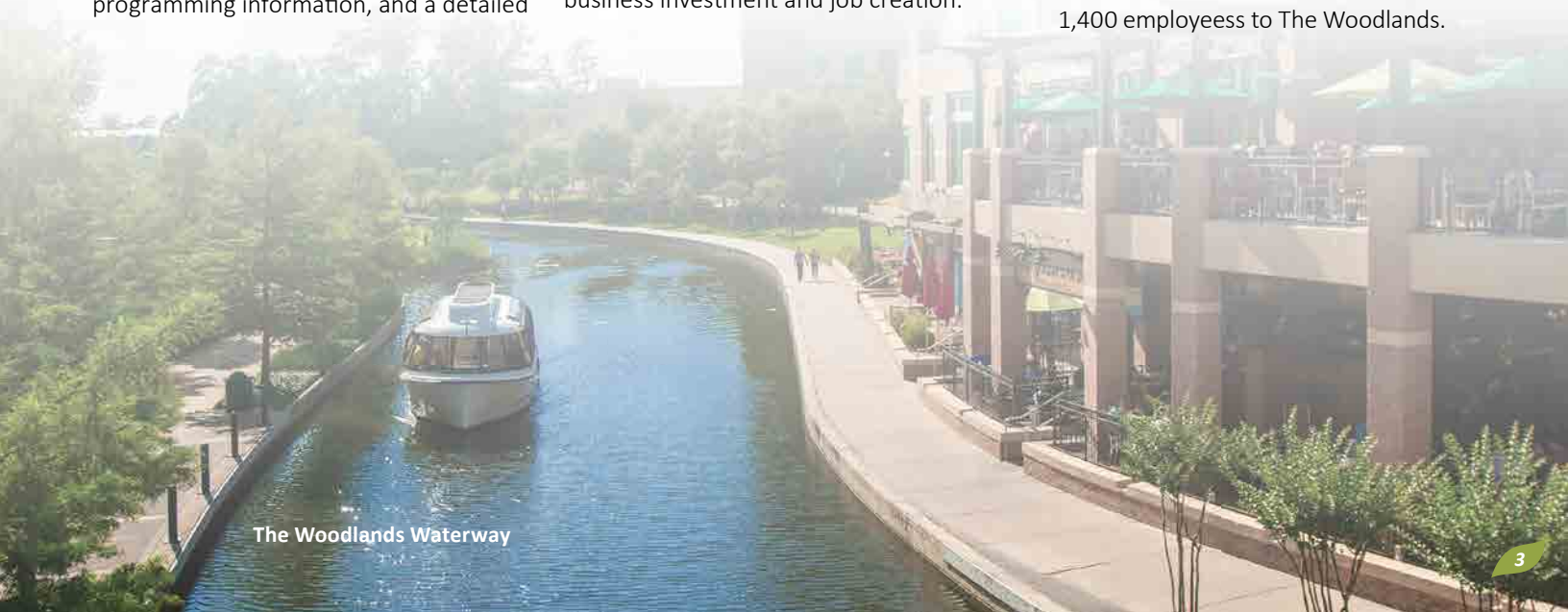
The Woodlands master plan and covenants provide a highly desirable environment for residents and businesses while helping to maintain property values. Existing as well as relocating businesses find The Woodlands amenities and quality of life help to attract and retain top quality employees.

The Township Board of Directors contributes to The Woodlands success by establishing strategies and policies for maintenance of the community, upgrading community facilities as needed, supporting a vibrant business environment, encouraging community involvement, and promoting community events that generate the revenues used to reduce the property tax rate.

Of the total Township revenue base, about 66 percent comes from sales tax, room tax, user fees and grants. Since 2010, the revenue collection from these revenue sources has grown, while the property tax rate has declined.

Business Development Remains Strong in The Woodlands

- ExxonMobil's new 385-acre campus, opened with approximately 2,000 employees and may increase to 10,000 employees in 2015. ExxonMobil also signed a lease for office space at Hughes Landing. This may bring an additional 1,400 employees to The Woodlands.



The Woodlands Waterway

- Anadarko Petroleum Corporation moved into their new 31-story office tower, and it is now fully occupied.
- Howard Hughes Corporation continues to develop Hughes Landing, a 66-acre mixed-use project on Lake Woodlands. Plans include up to eight office buildings, an Embassy Suites Hotel, a Whole Foods Market, Pier One Imports, restaurants and multifamily residential housing. One Hughes Landing is now complete and 100 percent occupied. Two Hughes Landing is also complete and 86 percent occupied. Three Hughes Landing is currently under construction.
- Warmack Investments is developing Research Forest Lakeside. This development will consist of 10 office buildings totalling approximately 1.8 million square feet of space. A 200,000-square foot building for Repsol USA was recently completed.
- Black Forest Ventures completed an 81,865-square-foot office building on Technology Forest Blvd.
- The Woodlands Development Company completed a building for Kiewit Energy Group Inc.
- CB&I completed their second building. Approximately 480 new jobs were created by CB&I. Their total local workforce is now 910 employees.
- Houston Methodist - The Woodlands Hospital began construction on their 470,000-square-foot hospital at the corner of I-45 and Highway 242.
- Texas Children's Hospital started construction on their 548,000-square-foot hospital.
- Wulfe & Company, Inc. broke ground on Phase 1 of East Shore Place. Phase I will have a bank, parking garage and restaurant. The second phase will include retail, a bank, office space and surface parking.
- The Woodlands Development Company is constructing Creekside Village Green in Creekside Park Village Center. The project has a tree-lined park with water feature, pergolas, a restaurant and two 40,000-square-foot retail/office buildings.
- The Woodlands Development Company began construction on The Westin, The Woodlands. The 302-room hotel is located at Waterway Square.
- The Woodlands Resort & Conference Center recently completed a \$60 million renovation, including a new 900-foot Lazy River. The project also revitalized meeting space and created a 156-seat restaurant.
- Construction of a 100,000-square-foot medical office building is underway on the Memorial Hermann campus.
- Pinecroft Realty is constructing a 70,000-square-foot medical office complex south of Indian Springs Village Center.

Sales Tax and Hotel Occupancy Tax Growth is Strong

Sales tax and room tax make up nearly 50 percent of Township revenues. The majority of these taxes are paid by visitors. Sales tax revenue has increased year over year, with over \$49.2 million in annual collections in 2014 as compared to \$45 million in 2013. Continued growth in retail and other taxable sales is anticipated for 2015.

Hotel occupancy tax revenue also continues to grow. The Township collected over \$7.2 million in hotel occupancy tax in 2014, approximately a 10 percent increase over 2013. With the opening of the new Hyatt Place hotel, additional rooms and suites at The Woodlands Resort and two additional new hotels under construction, the overall room capacity in the area will increase by 500 rooms in 2015-16.

Sources: The Woodlands Area Economic Development Partnership, The Woodlands Development Company, Houston Business Journal, Houston Chronicle.

Artist rendering of Village Green in Creekside Park Village Center



Summary of 2014 Accomplishments

Completion of 2015 Budget and Five-Year Plan

A Board pre-budget and strategic planning process was conducted in early June of 2014 to review and affirm the Township's vision, mission and strategic plan, to discuss strategic issues and objectives and to develop information to assist the Board in the budget and financial planning process.

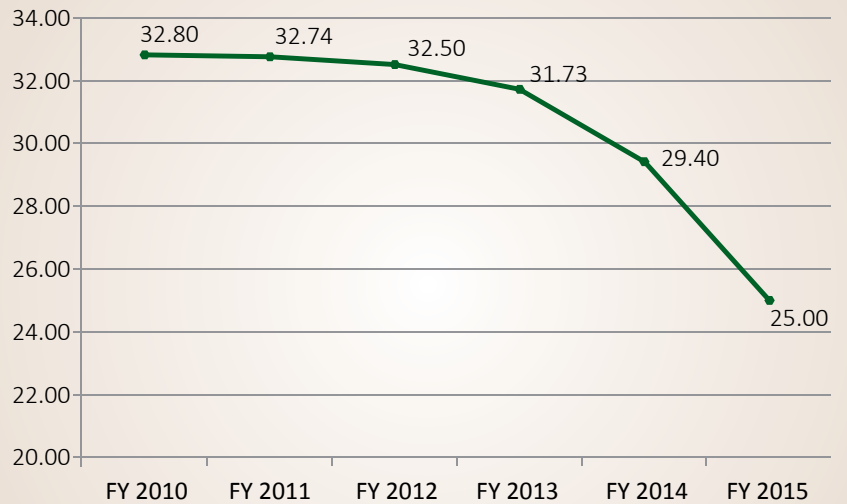
The approved 2015 adopted budget resulted in a substantially decreased property tax rate. The rate decreased to 25 cents per \$100 of valuation, a 4.4 cent decrease (15 percent) from the 2014 property tax rate of 29.4 cents. This action was taken while maintaining service levels, increasing public safety services, increasing community maintenance and creating a plan to reduce long-term debt.

For full details regarding the Township's 2015 budget, please visit:

www.thewoodlandstownship-tx.gov/budget

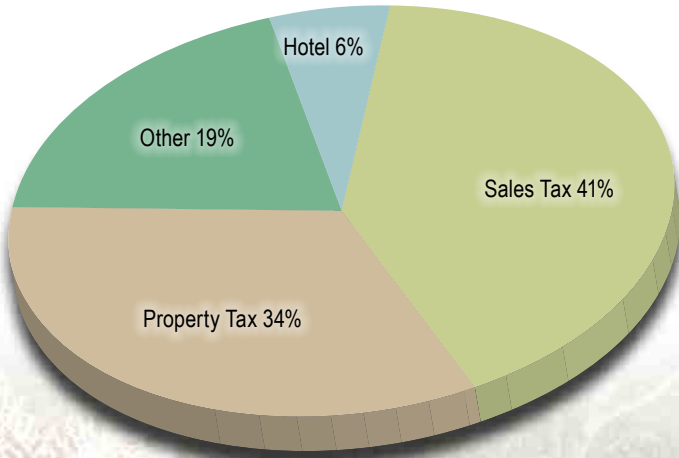
Property Tax Rate

Tax Rate Per \$100 Valuation

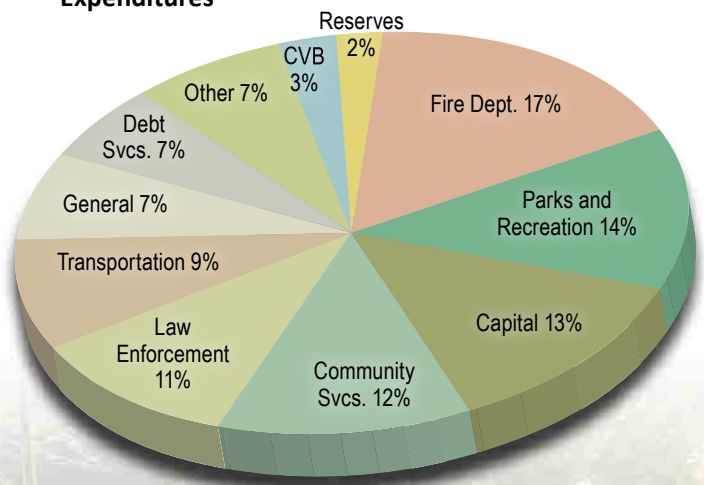


The 2015 adopted property tax rate: 25 cents per \$100 of valuation. The decline in the tax rate can be attributed to growth in sales and room tax collections, and limiting increases to annual operating expenditures.

Revenue Sources



Expenditures



Town Green Park



Board of Directors meeting



All-weather turf installation at Bear Branch Sportsfields

Strategic Plan Update

In June 2014, the Board discussed, revised and affirmed the Township's Strategic Plan. While the previous version of the strategic plan remained relevant, it was developed prior to the transition from Community Associations to Township governance. Revisions to the strategic plan focused on consolidating governance-related items and expanding transportation and mobility. These changes better reflect the community's needs and the Township's responsibilities.

Comprehensive Community Services Agreement with The Woodlands Development Company

The Woodlands Township and The Woodlands Development Company entered into the Comprehensive Community Services Agreement, a five-year agreement consolidating and extending commitments from prior agreements and contracts, including the Consent Agreement and the Mutual Benefits Agreement.

The agreement includes:

- Extension of a streetscape cost-sharing agreement. In this agreement, the Township and The Woodlands Development Company continue to share the costs of mowing and other maintenance costs associated with major roadway landscape maintenance. The Development Company will continue to fund about \$1 million per year in streetscape maintenance.

- Extension and revision of the Recreational Facilities Development Agreement. This agreement allows the Township and the Development Company to continue to share the cost of developing public parks, pathways and other amenities.



- A provision for the transfer of 25 acres of land from the Development Company to the Township for future sports field development.

Retirement of 2009 Regional Participation Agreement (RPA) Bond

The Township originally planned to refinance the \$14.2 million outstanding balance of the 2009 Bond Issue in early 2014. However, through the budget process and positive financial variances, it was able to pay off the \$14.2 million debt. This early retirement resulted in an overall savings to the Township of over \$5 million. In the 2015 Budget, the Board established a reserve to fund future prepayment of debt.

Governance Planning Process

In 2012, as a result of much research, analysis and dialogue with residents, businesses and service providers, the Township Board indefinitely deferred an incorporation election. The Board also passed a resolution directing Township staff to prepare an annual governance report. This report reflects any significant changes in community needs or potential financial consequences of incorporation. The Board received and reviewed the second annual governance report in September, 2014.

Sports Fields Enhancements and Gosling Road Sports Field Complex

In 2011, the Township contracted a needs assessment for parks and recreation facilities. This assessment identified increasing multi-purpose sports fields as the most significant need. In 2013, in keeping with the goal of increasing the number of sports fields, all-weather sports turf was installed at Bear Branch Sportsfields and Alden Bridge Sports Park. In 2014, The Township added safety features, such as fences, mats and turf rule signs related to the newly installed fields.

In addition, the Township approved installation of lighting for sports fields at Falconwing Park and Shadowbend Park, increasing the number of playable hours on these fields. In order to complete the installation of the lighting by fall of 2014, the Township accepted partial funding from Texas Rush Soccer Club.



Shadowbend Park sprayground...



renovated pool...



and new pavilion.

The Comprehensive Community Service Agreement with the Development Company includes a donation of 25 acres located on Gosling Road. This property will be used by the Township for development of additional sports fields. In 2014, the Board approved construction of three all-weather turf fields and two natural grass fields on this site.

Shadowbend Park Renovation

The renovation of Shadowbend Park and pool, in the Village of Cochran's Crossing, was completed in 2014. The Township considered several options that ranged from limited, smaller improvements to a complete overhaul.

The Board chose an option that corrected immediate needs and also enhanced park amenities to meet residents' desires. The project included improvements to the pool, restrooms, pathways, landscape and pavilion. The pool area received a new sprayground and a playground was installed in the park. The tennis court area received additional parking and a new gazebo.

The pool building and pool were renovated and brought up to current codes. New slides, pavilion, umbrellas, and a sunning lawn were added. The new tree-themed splashpad will be part of the pool during the pool season and open in the off-season through October 31. A crawl-through rain tree is the centerpiece of the splashpad and the only one of its kind in The Woodlands.

The project also provided improvements to the playground and plaza adjacent to the large pavilion.

Reforestation

The Township anticipates that the impact of the 2011 drought will take five years to mitigate. The reforestation plan, started in 2012, will continue through 2014-2015.



The Way Home Veterans' Memorial

A monument dedicated to all active and veteran service men and women of all branches and all conflicts, is being created by The Greater Woodlands Art Foundation. The sculpture commemorates Army Cpl. Cory C. Kusters and Army Cpl. Zach R. Endsley, two residents of The Woodlands area who bravely gave their lives for their country in 2007.

Through a series of actions, The Woodlands Township Board of Directors took steps to help make the sculpture a reality and provide a home for it in Town Green Park, below the Cynthia Woods

Mitchell Pavilion. The Board amended an agreement with the Greater Woodlands Art Foundation allowing the Township to assume ownership and maintenance of the sculpture once it is completed. The Board approved funding \$81,900 for foundry costs and a final payment to the sculptor, Edd Hayes. The project should be completed by Memorial Day, 2015.

Transportation /Mobility

In 2012, as a result of the 2010 U.S. Census and the creation of the Conroe/ Woodlands Large Urbanized Area (UZA), several transportation and mobility topics impacting The Woodlands Township began to emerge.

The Woodlands Township and the City of Conroe were designated as co-direct recipients of federal transit funds for the new large urban area. With this new role, the Township assumed direct responsibility for The Woodlands Express, the Trolleys and Waterway Cruisers operations. While the Township now bears greater responsibility for financial reporting and grant management, it continues to contract with the Brazos Transit District for transportation services.

The Woodlands Township does not have statutory responsibility or authority over planning and building roadways and highways. The responsibility for the roadways in The Woodlands rests primarily with Montgomery and Harris Counties. However, the Township Board of Directors is interested in developing a

better understanding of transportation mobility projects and in developing a plan that allows the Township to be more involved and partner with the counties in support of transportation improvements in The Woodlands.

In 2013, the Board approved participation in the Township Transit Plan/study and the South County Mobility Plan/study, both of which are partially funded and organized through the Houston-Galveston Area Council (H-GAC). Final reports on both of these studies, which provide strategic direction for future Township involvement in transportation and mobility initiatives, are forthcoming. Additional funding is expected to be needed if the Board chooses to implement any of the recommendations in the Township Transit Plan; however, mobility projects from the South County study may be funded through other entities.

In 2014, the Township entered into a partnership with The Woodlands Road Utility District #1 and Montgomery County for short-term mobility improvements in The Woodlands. Through this partnership, the Township will fund signalization improvements while hard surface projects will be funded by other entities.

Transit Federal Funding Transition

In 2014, the Township worked with a transit consultant, to establish policies



Trolley at Market Street

and procedures to allow the Township to obtain new grant funds once the old monies (grant money awarded to Brazos prior to 2011) are depleted. Old monies were initially anticipated for depletion by the second quarter of 2014; however, due to the Township-initiated fare increase and efficiencies through Brazos Transit District and the bus provider, the funds lasted throughout the end of 2014. In support of these new transportation responsibilities, the Township created a transportation fund and hired a transit planner to assist Township efforts.

Transit Services

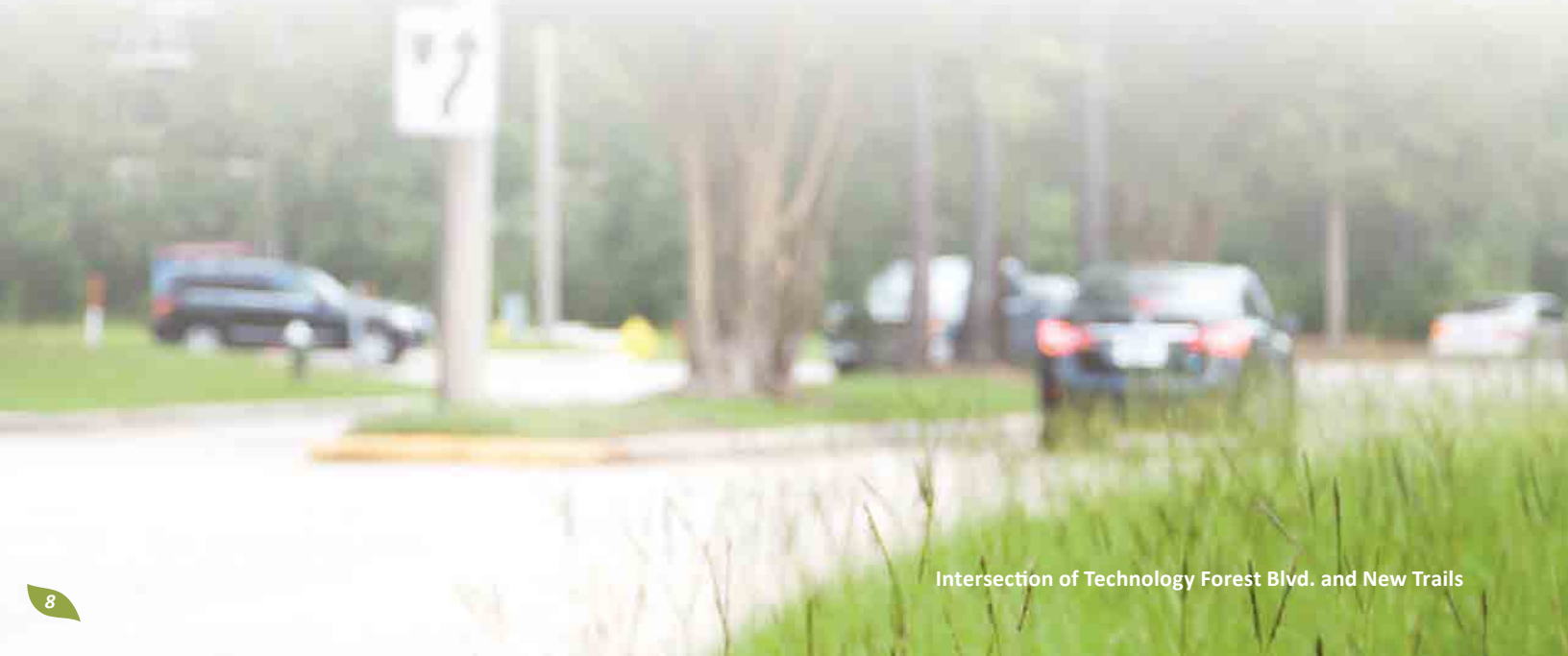
The Township also worked with the transit consultant to solicit proposals for future service for the Park and Ride operations. The current contract for the park and ride bus operator will expire in April, 2015.

The Township continues to contract with The Friendship Center for demand-response transportation. It also provides supplemental service through an agreement with Interfaith's transportation program for seniors.

Grant for Purchase of New Buses for Park and Ride Service

The Woodlands Express is widely regarded as one of the most successful commuter bus services in the country, accounting for over 26 million passenger miles annually.

The Houston-Galveston Area Council (H-GAC) awarded The Woodlands Township a grant to purchase 25 new buses for The Woodlands Express. The competitive grant, administered by H-GAC and funded by the Federal Transit Administration, is intended to help transit providers improve and expand service, reduce congestion, and improve regional air quality. The H-GAC Transit Fleet Expansion Program (the program providing the competitive grant), will provide more than \$14 million in funding over three years. The Township has committed a local funding match of approximately \$3.5 million and will continue to fund the operations and maintenance of the fleet through grant funds and user fees. The cost of the Township grant match is expected to be repaid over four years, using cost savings achieved by Township bus ownership.



Intersection of Technology Forest Blvd. and New Trails

Town Center Transit/Trolley Service Expansion

In 2013, the Township created a holiday trolley service in the Town Center area. The increased service ran from November, 2013, to January, 2014. In November, 2014, an expanded holiday transit service was implemented, the Holiday Shuttle Express. Three specially-marked shuttle buses circulated to eight stops in The Woodlands Mall, Market Street and the Cynthia Woods Mitchell Pavilion areas. Shuttles ran daily, arriving at each stop every 10 minutes, providing a more convenient way for the public to travel these areas.

In addition, Township Transit Study will explore an express trolley route between Hughes Landing, Market Street and the mall, with potential for future expansion. The Board will review the study findings and potential implementation strategies when the study is completed.

Town Center Parking

To improve parking and mobility within Town Center, the Township was awarded a grant to fund a parking facility on its property adjacent to the Pavilion and the Marriott. In addition to increased parking, the new facility would include a trolley stop to connect riders to shopping and dining venues.



Holiday Shuttle Express at Market Street

Roadway Construction /Lane Closure Communication

The Township worked with the San Jacinto River Authority (SJRA) to facilitate communication to the public regarding traffic impacts during the construction of the SJRA's Groundwater Reduction Plan pipeline project. The Board of Directors received monthly SJRA construction updates and Township staff created a section (Road/Lane Closures) on the Township website that included all known major roadway construction projects, including SH 242 construction, Precinct 3 intersection improvements, and other local traffic information. The Road/Lane Closures section continues to inform the public of local road projects and includes links to the entity responsible for the construction project, when such links are available. Links to real-time traffic maps via Montgomery County Northstar and

Houston Transtar are also now available in this section of the website.

Law Enforcement Funding Increase in 2014 and 2015 Budget

The Township continues its partnership with Montgomery County and Harris County to provide supplemental law enforcement services. Law enforcement funding was increased in the 2014 and 2015 budgets. The 2015 budget adds 11 new personnel: six contract deputies and one detective through Montgomery County Sheriff's Office, one detective through the Montgomery County Constable's Office, and three patrol deputies through the Harris County Constable's Office. As community growth continues, the Township will continue to monitor law enforcement needs and adjust as needed.

Renovation of The Woodlands Fire Station No. 2

Renovation of Fire Station No. 2 started in mid-2014 and is expected to finish this Spring. The Township negotiated an agreement with Montgomery County Hospital District to share the cost of the project, with the Hospital District funding 50 percent of the renovation costs. The staff and apparatus from Station 2 will continue full operations from a temporary location, as arranged by an agreement with the City of Shenandoah.



Artist rendering of renovated Fire Station No. 2

Evaluation of a Woodlands 911 Center for Law Enforcement Dispatch

The Township contracted a study to evaluate whether consolidation of law enforcement and fire service calls into a central Woodlands call center would enhance efficiency and coordination of emergency service providers. No changes will be implemented as a result of the study.

Woodlands Fire Department / ISO (Insurance Services Office) 1 Rating

The Woodlands Fire Department earned the prestigious ISO rating of 1 from the Insurance Services Office (ISO), Inc.'s Public Protection Department. The previous classification was ISO 2. There are only 60 out of 47,000 communities nationwide that have achieved this status. The Township's ISO 1 classification took effect May 1, 2014.

40th Anniversary Celebration

The Woodlands celebrated its 40th Anniversary on Sunday, October 19, 2014, at Northshore Park. The Township coordinated a celebration event for residents with assistance from The Woodlands Development Company. The well-attended event included art and history exhibits, remarks from elected officials and Woodlands pioneers, and live music by local entertainers.



To commemorate the historic milestone, the Township officially announced October 19th as Founder's Day in The Woodlands.

Resident Survey

The Township conducts a survey of The Woodlands residents approximately every two years. The survey obtains resident opinions of services and is used as a budgeting and planning tool. Previous surveys were conducted by landline telephone only. The 2014 survey utilized a slightly different approach. For this survey, data was gathered via telephone, cell phone, mail and email, in an effort to reach all demographics within The Woodlands. The Township contracted with Public Research Group (PRG) to conduct the survey. The survey results were presented to the Board in December 2014 and posted on the

Township's website. PRG concluded that based on the survey results, the Township provides excellent services and a high quality of life for residents.

Covenant Administration for Existing Residential and Commercial Properties

Through the Comprehensive Community Services Agreement and the related Delegation Agreement, the Development Standards Committee is now responsible for the management and development of maintenance standards, and also for enforcement of covenant standards for existing residential and commercial properties. The Township's Covenant Administration staff provides support in this expanded role.

Surface Water Conversion Project

The San Jacinto River Authority (SJRA) began construction of the surface water project in the Township in 2013. The project will deliver surface water from Lake Conroe to The Woodlands and will provide a reliable water source for many years. The Township worked closely with SJRA to communicate issues resulting from the portion of the project in The Woodlands.

Water Conservation Planning

Water rates will continue to rise as the surface water program is implemented by SJRA and The Woodlands Joint Powers



Lake Woodlands from North Shore Park

Agency (WJPA). These increases will impact residents as well as Township operations. The Township monitors water costs for budget purposes and continues to improve internal water efficiency. In 2014, The Township implemented programs to educate residents on water conservation and will continue to partner with WJPA to communicate water conservation messages to residents.

Assumption of Lake Woodlands Ground Lease

The Woodlands Township worked with The Woodlands Development Company and the Lake Woodlands Property Owners Association (LWPOA) to transfer the Lake Woodlands ground lease to the Township. An agreement was finalized to assign the ground lease to the Township, merge and consolidate LWPOA with the Township, and formally dissolve the LWPOA.

Community Services

Community maintenance, including roadway and neighborhood entry maintenance, continues to be a priority for the Township. Management of covenant standards is key to maintaining property values, and it will be more



challenging as the community matures. The Township continues to actively pursue covenant violations through the legal process.

Waste removal and recycling services in the Township will continue to be provided to residents through an existing contract with Waste Management. The Township is unique in that waste removal and recycling is funded through the property tax levy. In most cities, the cost of these services is paid directly by residents through a separate fee.

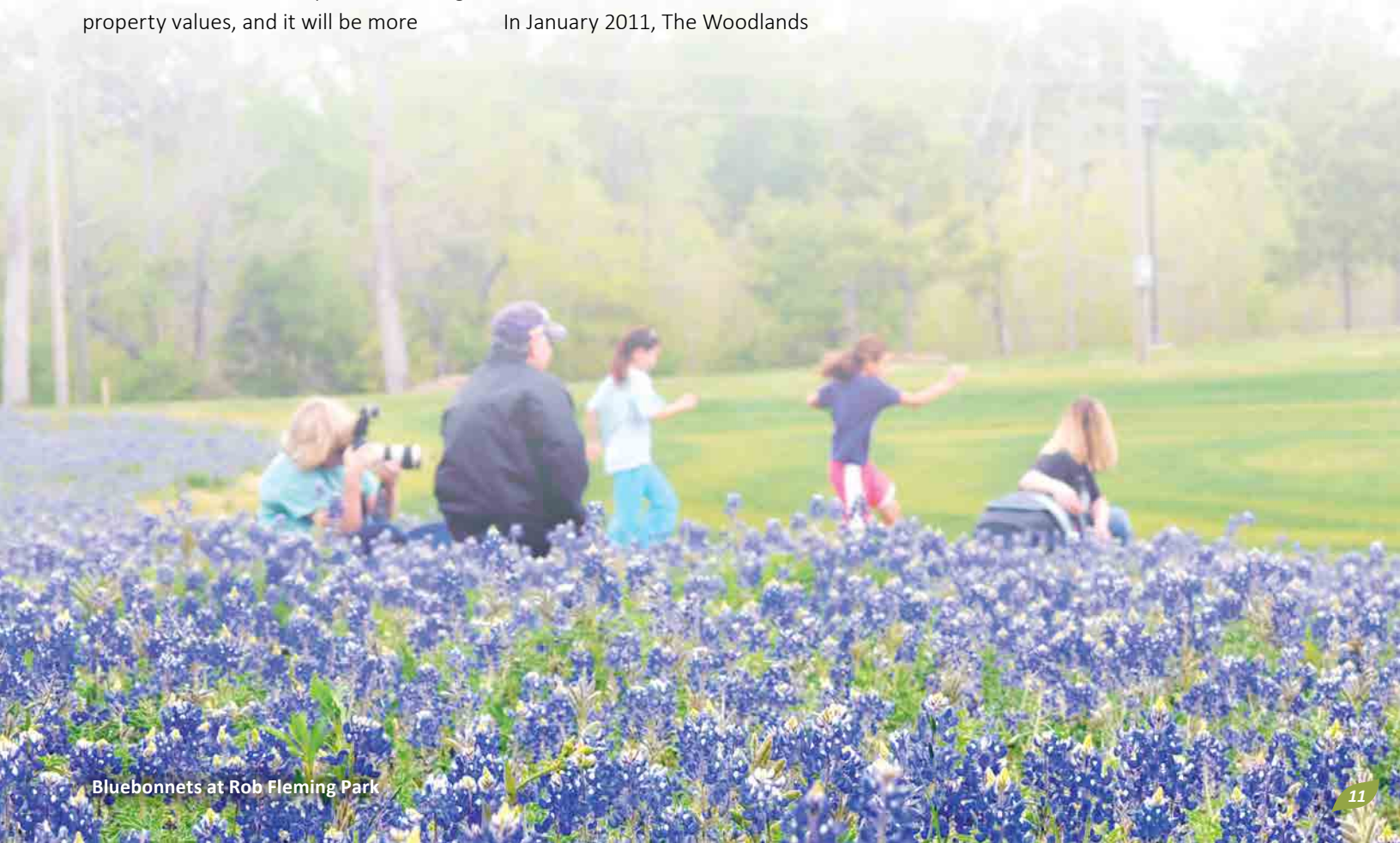
Health Insurance Rates

In January 2011, The Woodlands

Township began providing its employee medical insurance on a self-insured basis. Since that time, the Township has experienced rate increases lower than the national average. This trend continues for 2015 with a 0 percent increase in Township employee health insurance rates. The national trend for healthcare costs is projected to increase by 7.6 percent. Employees continue to be careful consumers with their healthcare and Gallagher Benefit Services continues to strongly negotiate with carriers on the Township's behalf.

Firefighters Pension Fund

In 2012, The Woodlands Firefighters presented a proposal to The Woodlands Township to create a Firefighters Pension Plan. On August 11, 2014, The Woodlands Firefighters' Retirement System (TWFRS) Board approved a Plan Document for the System's proposed pension. The plan document was approved by the membership in early September, prior to final approval by the TWFRS Board. The implementation date was established as January 1, 2015.



Bluebonnets at Rob Fleming Park

Looking Forward in 2015...

A number of objectives, initiatives and issues will need to be addressed by the Board and community in 2015. During the coming year, the Township will focus on these objectives:

Township Transit Study

Review and consider budgeting to implement the study recommendations, as determined prudent and viable by the Board.

Parking and Mobility

Consider strategies to enhance parking and mobility in Town Center, including potential expansion and improvements to existing services.

South County Mobility Study

Work with Montgomery County and WRUD#1 to plan and implement study recommendations.

Park and Ride Bus Service

Complete the grant agreement with H-GAC and use the competitive bid process to complete the acquisition of the Park and Ride Fleet buses. Also select a bus operator for Park and Ride operations starting in May, 2015.

Transit Center

Continue plans to develop a transportation center/parking facility on the Gold Lot in Town Center.

Transit Federal Funding Transition

Assume financial responsibility for Federal Transit Administration grants, expected to begin in the first quarter of 2015.

Economic Development Opportunities and Partnerships

The Ad Hoc Economic Development Committee of the Board of Directors will explore community partnerships that enhance economic activity, particularly in Town Center.



Permanent Ice Rink

Continue discussions with the Cynthia Woods Mitchell Pavilion regarding development of a permanent ice rink facility at the Pavilion site.

Reforestation

Continue reforestation efforts to mitigate the impact of the 2011 drought. This

plan began in 2012 and is expected to take five years to complete. The Township will also continue to work with the San Jacinto River Authority (SJRA) to complete the restoration of street boulevard and right-of-way areas impacted by the recent water line installation.

Parks and Pathway Maintenance Agreement

Using the competitive bid process, rebid maintenance services for the parks and pathways. The current maintenance agreement expires at the end of 2015.

New Gosling Road Sports Field Complex

Continue development and construction of the Gosling Road Sports Field Complex.

Renovation of Northshore Park

Develop plans for the renovation of popular Northshore Park on Lake Woodlands. The capital budget includes funds for the design of this project in 2015 and construction in 2016.

Community Maintenance Initiatives

Address community maintenance initiatives, including increased streetscape maintenance and cul-de-sac island issues. The Board will consider recommendations for these initiatives and issues, based on funding set aside in the 2015 budget.





Emergency Preparedness Event



Cranebrook Pool

Master Bike/Pedestrian Plan

Pending the outcome of the mobility study, discuss development of a master plan for bike/pedestrian needs in The Woodlands, based on funding set aside in the 2015 budget.

Other Park and Pathway Capital Projects

Develop new park and pathway projects in Creekside Park and Town Center, in conjunction with the Development Company, through the Community Services Agreement. Improve existing parks and aquatics amenities. The 2015 capital budget provides for these projects.

Law Enforcement

Continue to monitor law enforcement needs in the Montgomery County and Harris County (Creekside) areas and adjust as necessary. To retain high quality public safety services in The Woodlands, the five-year budget plan proposes additional deputies to be added in the Montgomery County portion of The Woodlands in 2015.

2016 Budget and Five-Year Plan

Develop the 2016 budget in keeping with the Five-Year Plan. Consider the impact of community growth and make any required budget changes. Continue to monitor changing economic conditions and consider adjustments if necessary.

Remodel of Fire Station #2

Complete the current remodel project in Spring, 2015.

Community Services

Recognizing the importance of quality services, continue to look for ways to increase effectiveness and efficiency in service delivery programs. High levels of service in the Township are critical to preserve the quality of life enjoyed by The Woodlands residents.

Legislative Planning

Consider initiatives beneficial to operation of the Township for filing during the Texas 84th legislative session in 2015. Monitor legislation for potential impact on the Township.

Communication

Continue to enhance communication with residents and businesses, including social media communications.

Wi-Fi and Camera Coverage on Township Property

Consider options and viability of Wi-Fi and camera coverage in Town Center areas such as The Woodlands Waterway and Township parks. Professional services have been retained to make recommendations to the Board on this topic.

Water Conservation Planning

Continue to review internal operations and practices for water conservation improvements. Continue enhanced educational programming and partnership with the WJPA to communicate water conservation to residents.

Governance / Incorporation Review

Complete the annual governance report. Governance and potential future incorporation will continue to be of interest to Woodlands residents.



TWFG Muddy Trails Bash at Rob Fleming Park

Township Locations



The Woodlands Township Town Hall

2801 Technology Forest Boulevard, The Woodlands, Texas 77381
281-210-3800



Parks, Recreation and Environmental Services

8203 Millennium Forest Dr.
The Woodlands, Texas 77381
281-210-3800



The Woodlands Township Recreation Center

5310 Research Forest Drive
The Woodlands, Texas 77381
281-210-3950

The Woodlands Township Fire Department

281-367-3444

Central Station

9951 Grogan's Mill Road
The Woodlands, TX 77380

Station 2

9303 Gosling Road
The Woodlands, TX 77381

Station 3

1522 Sawdust Road
The Woodlands, TX 77380

Station 4

7900 Bay Branch Road
The Woodlands, TX 77382

Station 5

10100 Branch Crossing Drive
The Woodlands, TX 77382

Station 6

1100 Windsor Lakes Blvd.
The Woodlands, TX 77384

Station 7

26722 Kuykendahl Road
The Woodlands, TX 77375

Station 8

11800 Gosling Road
The Woodlands, TX 77381

Emergency Training Center

16135 IH 45 South
The Woodlands, TX 77385